



Labor & Economic Briefing

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Here is a summary of headlining accomplishments from the last month:

Creating & Retaining Michigan Jobs

Granholm Visits NextEnergy Corporation, Says Company Highlights Potential of Job Creation Package:

Governor Jennifer M. Granholm recently visited NextEnergy Corporation (NEC) to discuss the impact of the \$2 billion job creation package she signed into law on Nov. 21st. Under the plan, which the Governor first called for in her State of the State Address last February, Michigan will invest nearly \$1.5 billion dollars to grow thousands of jobs in four key growth areas: life sciences, advanced manufacturing, alternative energy, and homeland security. The state's investment is expected to leverage an additional billion dollars or more in private investment. "NextEnergy Corporation is already hard at work developing the new fuel technology that will power the next century," said Granholm. "By investing billions in critical areas like alternative energy development, we can build on our existing strengths, diversify our economy, and create thousands of new, good-paying jobs." The Governor's jobs plan will capitalize on the best research and commercialization opportunities in the four key growth areas in order to create good-paying, high-tech jobs that can't be outsourced. In addition, the bills will create:

- up to \$450 million through the Venture Capital Investment fund to help start-up companies succeed;
- new tax incentives to encourage investors to make and keep their investment dollars here in Michigan;
- an improved business climate with lower fees and less red tape for new businesses in Michigan;
- new incentives to encourage life sciences companies to use Michigan suppliers and services.

After touring the facility, the Governor spoke with area high school and college students about the exciting opportunities available once they complete their degrees. The Governor noted that Michigan is headquarters for eight of the nation's top alternative energy companies, ranking us 5th nationally. In total, more than 180 companies are working on the development of alternative energy technology in Michigan. "Michigan was built on innovation and this \$2 billion investment will ensure that the next generation of innovation will occur right here," said Granholm. "This investment will make Michigan a hot-bed of entrepreneurialism by providing the capital to help small start-up companies and high-tech firms turn their great ideas into medical cures, clean energy and technological advancement." NEC is a nonprofit corporation dedicated to the development and promotion of alternative energy technology. They are committed to helping Michigan lead the transformation of how vehicles are built and powered. In September, NEC opened an alternative energy technology incubator that is now home to eight research and development companies. The job creation package that became law last week is just one part of Granholm's 5-point economic plan. The Governor has also proposed legislation to restructure business taxes in Michigan in order to keep jobs here; fast-forward public infrastructure projects, including road projects and nursing home improvement, to create thousands of jobs today; match unemployed citizens with businesses that need workers right now; and make college accessible to all.

Korea, China Investment Mission Yields Results for Michigan: A Michigan investment mission visiting Korea and China November 7-17 succeeded in making contact with a large number of qualified companies exploring sales and technical entry as first-stage entry to the North American market, including a Chinese automaker that is targeting production of 400,000 units by 2010, and a supplier looking to establish a sales and tech center in Michigan. The mission was co-sponsored by the Michigan Global Partnership, a public/private organization, and the Michigan Economic Development Corporation. The delegation's Going Global seminar presentations drew 75 company representatives in Seoul, Korea and in China, 135 at Beijing, 110 in Hangzhou. They were followed by one-on-one meetings. The delegation, led by Michigan Economic Development Corporation Senior Vice President Harry Whalen, included representatives of Battle Creek Unlimited, Butzel Long, Comerica Bank, Consumers Energy, CSM Worldwide, Fifth Third Bank, LaSalle Bank Midwest, Oakland County Economic Development Team, Southwest Michigan First, The Right Place and Van Andel Global Trade Center.



**Governor
Jennifer M.
Granholm**

State Leaders Highlight 21st Century Jobs Fund: Michigan Economic Development Corporation President and CEO James Epolito, Department of Labor and Economic Growth Director David Hollister, State Treasurer Jay Rising and Department of Agriculture Director Mitch Irwin were joined by research, commercialization and local economic development leaders for a media roundtable to detail the 21st Century Jobs Fund announced by Governor Granholm. The new initiative, which the Governor signed into law, will use tobacco settlement revenue to create thousands of job opportunities in Michigan's increasingly high-tech economy. "The increased awareness of the exciting environment being fostered here will attract interest, investment and talent from throughout the nation and the world, in turn creating job opportunities for our citizens" Epolito said. "Michigan is going to be a hotbed of high-tech innovations moving from our great research centers to the marketplace."

Epolito, Hollister and Rising detailed key elements of the 21st Century Jobs Fund, explaining how it will diversify and grow Michigan's economy by focusing the new funding resource in three areas:

- **Competitive-Edge Commercialization Program (up to \$200 million):** Will help diversify and grow Michigan's high-tech economy by investing in basic research and technology transfer at universities and non-profit research institutions in four competitive-edge technologies: life sciences, alternative energy, advanced automotive, manufacturing, and materials and homeland security/defense.
- **Capital Investment Program (up to \$114 million):** Will provide a much-needed infusion of capital to make investments in qualified equity, mezzanine and venture capital funds that will create or retain jobs in Michigan companies.
- **Commercial Lending Program (up to \$71 million):** Will stimulate additional lending by financial institutions across the state by creating commercial loan enhancement programs in situations where a documented growth opportunity has been identified. Also re-establishes the Capital Access Program to help small businesses secure financing.

The 21st Century Jobs Fund is based on the success model of the Michigan Life Sciences Corridor and Technology Tri-Corridor initiatives. Like the Corridor programs, the 21st Century Jobs Fund will employ a competitive, independent peer-review request for proposal (RFP) process. Independent review effectively removes politics from the process of awarding funds, ensuring that only the highest-ranking proposals are chosen to receive funding.

A timeline of key events in the plan's implementation was also highlighted as follows:

- December 15, 2005 All necessary board appointments completed
- January 30, 2006 21st Century Jobs Fund request for proposals (RFP) issued
- February 1, 2006 Capital Access Program available to small businesses
- June 30, 2006 First round of 21st Century Jobs Fund awardees announced

A key element of the initiative is new funding to increase the amount of capital available to Michigan companies. The 21st Century Jobs Fund may invest funds in or alongside qualified equity funds, qualified mezzanine funds, and qualified venture capital funds that will create or retain jobs in Michigan companies. The initiative also includes \$10 million dedicated specifically for the Agriculture Development Fund.

Saginaw-based Hausbeck Pickle Chooses Michigan Over Indiana for Expansion: Hausbeck Pickle will undertake a \$2 million expansion in Saginaw in preference to Indiana with the assistance of a brownfield Single Business Tax credit from the Michigan Economic Development Corporation. The company will renovate a vacant industrial site and **create more than 10 new jobs** with the expansion. It will use a \$222,500 brownfield credit to clean up the property and add 45,000 square feet to the existing building. The site is located at 1626-2000 Hess Avenue within the Lufkin Rule/Hess Avenue/Fairgrounds Renaissance Zone near downtown Saginaw. Family-owned and operated since 1923, Hausbeck supplies pickles and pickled pepper products to large commercial restaurants and retailers including Burger King and Subway. The company currently employs 35 people.



Michigan Economic Development Corporation President and CEO James Epolito and Department of Labor and Economic Growth Director David Hollister 21st Century Jobs Fund announced by Governor Granholm. The new initiative, which the Governor signed into law, will use tobacco settlement revenue to create thousands of job opportunities in Michigan's increasingly high-tech economy.

1,579 Jobs Secured as Companies Choose Michigan for Expansions: Governor Granholm announced on November 15 three company expansions and six brownfield redevelopment projects that are expected to **create and retain more than 1,579 jobs** and generate **more than \$472.7 million in private investment**, all as a result of assistance offered by the Michigan Economic Development Corporation (MEDC). The nine projects are:

- **Cadillac Casting Inc.** plans to acquire and continue operations at the Hayes Lemmerz International iron foundry in Cadillac, resulting in the **retention of 713 jobs**, including 375 directly by the company. A state Single Business Tax credit valued at more than \$2.7 helped convince Cadillac Castings to invest in Michigan. Cadillac Casting was formed specifically to purchase the existing ductile iron foundry from Hayes Lemmerz. The foundry has been in operation since 1920 and supplies cast moldings primarily to the auto industry
- **Cobra Sport Inc.**, a manufacturer of premium race-ready mini-moto cross motorcycles, will **invest approximately \$1.5 million** to relocate its manufacturing facility to Hillsdale. The project is expected to **create 132 jobs**, including 70 directly by the company. An SBT credit valued at more than \$386,000 helped convince the company to invest in Michigan over a competing site in Ohio. The city of Hillsdale is considering a local tax abatement valued at \$20,000 over 12 years to support the project.
- **Hemlock Semiconductor** plans a two-phase, \$327 million expansion at its operations in Hemlock. The project is expected to **create 463 jobs**, including 150 directly by the company. An SBT credit valued at more than \$5.1 million helped convince the advanced manufacturer of components for the semiconductor industry to expand in Michigan instead of at a competing location in Kentucky. Thomas Township and the city of Saginaw are considering local tax abatements totaling more than \$54 million to support the project.
- **Federated Properties LLC** will use a \$4.3 million brownfield SBT credit million to redevelop a former car dealership located in Traverse City's west side into a 170,000 square-foot mixed-use development. The developer will **invest more than \$43.9 million** to demolish an existing structure and prepare the property for construction of the new development to include 25,000 square feet of retail space, 15,000 office and 130,000 residential. The project is expected to **create 150 new jobs**.
- **Icon on Bond LLC** will use local and state capture of \$1.5 million with its own **investment of \$55.6 million** to transform a former contaminated foundry site in Grand Rapids into two nine-story residential towers with a total of 236 apartments or condos each incorporating two levels of parking.
- **33 Library LLC** will use a state tax credit valued at \$1.3 million and local and state tax capture valued at \$757,000 in addition to its own **investment of \$13 million** to renovate and convert the eight-story former YMCA building in Grand Rapids to 50 condominium units with on-site parking, outdoor garden, fitness center and pool.
- **Boulder Developments LLC** will use local and state tax capture valued at \$1.1 million to revitalize four properties at the corner of John R and Canfield in northern Brush Park, east of Woodward Avenue in Detroit. The former Melrose Hotel will be converted to 30 condominiums with an adjacent building to be used for heated parking. A third building will be turned into a commercial strip, creating 20 jobs. A vacant parcel may be used for apartments, mini-storage or parking. The city has designated the area a Neighborhood Enterprise Zone which offers significant local tax savings to the developer.
- **Eddystone Development LLC** will use \$948,500 in local and state tax capture and a \$641,603 brownfield Single Business Tax credit to transform the former Eddystone Hotel in Detroit into 60 one- and two-bedroom loft-style condos and street-level commercial space accessible from Park Avenue, just north of I-75 in midtown Detroit. The \$6.4 million project is expected to **create 20 new jobs**. The city is expected to designate the area a Neighborhood Enterprise Zone.
- **VJL Real Estate LLC** will use a tax credit valued at \$1.3 million to support construction of a 246,000-square-foot refrigerator/freezer warehouse for Lipari Foods, adjacent to the company's current warehouse operations in Warren. An obsolete, 15,000-square-foot structure will be torn down in preparation for the new building. The city of Warren will support the project through local tax increment financing up to \$250,000 for demolition and site preparation.

Bosch Breaks Ground in Plymouth: MEDC President and CEO James Epolito and Governor Granholm joined Baden-Württemberg Minister President Günther Oettinger and state, local, and company leaders in Plymouth Township on November 17 for the groundbreaking of Robert Bosch Corporation's new Plymouth Township Technical Center. The 225,000-square-foot, \$37.5 million facility will help position the global automotive supplier for future growth in Michigan. Following the groundbreaking, Granholm hosted a reception for the Baden-Württemberg delegation and met with Oettinger to strengthen the trans-Atlantic economic development partnership between two of the world's leading automotive centers. The Plymouth Township facility will allow the company to consolidate its operations in Michigan. The new center will house 475 research and development and administrative staff for its electrical and electronics divisions. Bosch plans to eventually locate as many as 2,400 associates to the facility.

Grant Saves 200 Jobs in Greenville: A \$600,000 Community Development Block grant approved by the MEDC and announced by Governor Granholm this week to Montcalm County will help train workers at Clarion Technologies in Greenville. The project is expected to retain 200 jobs and lead to more than \$1.3 million in new private investment. Clarion has certified that without the grant, it could not continue operations in Greenville. Clarion Technologies manufactures plastic shelves, trays and containers for refrigerators and freezers.

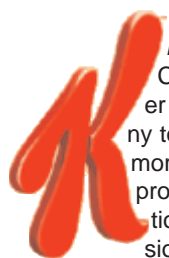
Granholm Announces Assistance for Two Company Expansions in Middleville: Gov. Granholm announced two grants totaling \$190,000 to the village of Middleville to help Alliance Sheet Metal and Metaldyne expand existing operations. The projects are expected to create a total of 73 new manufacturing jobs and involve \$7.6 million in private investment. The grants, announced on November 8, are being made available by the Michigan Economic Development Corporation with funds provided by the federal Community Development Block Grant program. The village will use a \$90,000 grant to make improvements to Crane Road and extend water and sewer service to Alliance Sheet Metal's new 43,000-square-foot facility. The sheet metal fabricator will invest about \$1.6 million in the project, which is expected to create nine new jobs. An additional \$100,000 grant will help the village finance improvements to State Street to accommodate the increased traffic that will result from the expansion of Metaldyne. The Plymouth-based metal component manufacturer will invest approximately \$6 million to modify the Middleville facility in preparation for a new production line. The project is expected to create 64 new jobs.

Governor: Blue Water Automotive to Expand, Create 35 New Jobs: Blue Water Automotive Systems Inc. will invest \$6.5 million to expand its Blue Water Molded Systems plant in the city of St. Clair. The expansion will create 35 new jobs and retain 160 current employees. Assistance offered through the Michigan Economic Development Corporation helped convince the company to choose Michigan over a competing site in Mexico. The MEDC has offered an incentive package valued at approximately \$362,000 which includes an Economic Development Job Training grant valued at \$17,500 to win the project. The city of St. Clair has also proposed tax abatements worth an estimated \$604,400. Blue Water Automotive Systems is the successor to Sarnamotive Blue Water, which was recently sold by the Swiss multinational firm Sarna Kunststoff Holding AG to BWAS Holdings, Inc. an affiliate of KPS Special Situations Fund II of New York, New York. Blue Water is headquartered in Marysville with seven facilities in Michigan, including five in St. Clair County that employ 800 workers. Construction of the building addition at Blue Water Molded Systems is underway and should be completed by January, with production and new hiring beginning at that time.

Granholm and Epolito Tout Defense Business at Symposium: Gov. Granholm and MEDC President and CEO James Epolito held private meetings with six defense industry leaders in an effort to increase the share of defense-related spending directed toward Michigan. The two met with representatives from General Dynamics, Boeing, Lockheed Martin, Raytheon, Northrop Grumman and SAIC (Science Applications International Corporation) at the 2005 Michigan Defense and Innovation Conference in Ann Arbor, which the MEDC hosted. Granholm and Epolito also addressed the gathering's larger audience, which included executives from major defense contractors, representatives of high-tech businesses and state research leaders. The two-day conference provided more than 300 attendees with information about how to secure contracts with the Department of Defense and its prime contractors. Of the \$225 billion the DoD spends each year in contracts for research, development and final products, about \$2 billion is now done with Michigan companies. Research topics being targeted for defense and discussed at the conference included: energy and propulsion technologies; information technology and cyber security; nanotechnology and electronic materials and, sensing & controls, unmanned systems, robotics and biotechnology.

New American Compounding Specialties Plant in Fowlerville to Create 20 Jobs: A vacant Fowlerville property will be the site of a new American Compounding Specialties LLC manufacturing facility. The project is expected to create 20 new jobs through more than \$4 million in private investment and a brownfield Single Business Tax credit from the Michigan Economic Development Corporation. American Compounding, a start-up contract manufacturer of thermoplastics for the plastics and chemical industries, will use a \$250,000 brownfield tax credit with its own investment of more than \$4 million to build a 17,500-square-foot manufacturing plant on the cleaned-up site at 200 Veterans Drive. The village of Fowlerville has also approved a local tax abatement valued at \$600,000 over 12 years to support the project.

U-M Tech Transfer Activity, Income Up in 2005: The University of Michigan recorded 287 invention disclosures from U-M researchers, seven high-potential business startups and 86 license agreements in 2005, an 18 percent increase over last year. The university also received \$16.7 million in license revenues in the fiscal year ending ended June 30, compared to \$11.7 million the previous year. Accelerating technology transfer from Michigan's research universities is a key goal of the Michigan Technology Tri-Corridor initiative.



Kellogg Expansion in Wyoming to Result in 664 New Jobs: Gov. announced on October 18 that Kellogg Company will invest \$5.6 million and add 352 new jobs to begin production at the Wyoming facility it acquired earlier this year. Assistance offered through the Michigan Economic Development Corporation helped convince the company to choose Michigan over a competing site in Georgia. The MEDC approved a Single Business Tax credit valued at more than \$3.8 million over 10 years and an Economic Development Job Training grant valued at \$176,000 to win the project. The city of Wyoming has also proposed a tax abatement worth an estimated \$608,000 over 12 years. An additional 312 indirect Michigan jobs will be created as a result of increased economic activity associated with the expansion in addition.

Michigan Rubber to Expand, Create 103 New Jobs: Michigan Rubber Products Inc. will invest \$595,000 to expand its manufacturing facility in Cadillac. The expansion will create 103 new jobs, including 73 directly by the company. The MEDC approved a Single Business Tax credit valued at approximately \$513,000 over 10 years to help convince the company to choose Michigan over a competing site in Missouri for the project. The city of Cadillac has also proposed a tax abatement worth an estimated \$25,000 over 12 years. An estimated 30 indirect Michigan jobs will be created as a result of increased economic activity associated with the expansion, in addition to the 73 jobs created directly by the company.

Governor Meets with Companies to Encourage Further Investment in Michigan: Gov. Granholm met Nov. 14 with two companies – one an international manufacturing company and the other a venture capital firm – to encourage them to consider additional investment in Michigan. The company meetings came the same day the Governor accepted the Pathfinder Award from Harvard University for the state's work in driving innovation through technology. "We are continuing to go anywhere, anytime to bring jobs to Michigan," Granholm said. "Companies that have already invested in Michigan understand what Michigan has to offer. We are going the extra mile to ask that their initial investment be the foundation for future investment that will lead to job creation." The Governor received the Pathfinder Award during an executive education workshop sponsored by the John F. Kennedy School of Government. The Pathfinder Award is awarded by the Harvard Policy Group on Network-Enabled Services and Government. The award is for exemplary leadership on the difficult issues of transition to a networked world shaped by a growing global, knowledge-based economy. Granholm addressed a forum at the John F. Kennedy School of Government. The speech titled, "Leading Change and Renewal: Strategies When the Stakes are High" focused on the challenges a state faces when competing in a 21st century economy and what Michigan has done to remain competitive. She highlighted her plan to grow the economy and create jobs in Michigan. The forum is sponsored by Harvard's Institute of Politics.

MPSC Approves Consumers Energy Company Tariff Designed to Attract New Industrial Development to Michigan: The Michigan Public Service Commission (MPSC) approved on Nov. 22nd a new Consumers Energy Company tariff designed to attract new industrial economic development to Michigan. "A top priority of the Michigan Public Service Commission is taking all reasonable steps to improve Michigan's economic health," said MPSC Chairman J. Peter Lark. "The tariff my fellow Commissioners and I approved will contribute to attracting much-needed, new economic development to Michigan." On Nov. 15, Consumers Energy Company filed an application seeking approval of a new economic development tariff. The tariff offers a fixed rate for qualifying industrial customers that can demonstrate an increase in annual connected load of at least 70,200,000 kilowatt-hours. The tariff is open for new businesses for two years from its effective date. Any new tariff customers within that two-year period would remain eligible for the 10-year term of the tariff. To ensure that a customer is not merely shifting load from one existing site to another, or moving load between sites or providers within Michigan, a customer is required to certify that its claimed eligible new load does not result from business closure, sale, relocation of work from another facility within Michigan, or from existing customer load otherwise served by alternative sources of generation.

Developing a 21st Century Workforce

Eight New Regional Skills Alliances to Promote 21st Century Jobs in Michigan: Michigan Department of Labor & Economic Growth Director David C. Hollister announced the award of \$659,602 in grants to create eight new Michigan Regional Skills Alliances (RSAs) that will continue to ensure that all job seekers will be trained to do the work that employers need now and in the future. The total number of RSAs statewide is now 25, giving all counties of Michigan access to a Michigan Regional Skills Alliance. The RSAs are designed to train job seekers for in-demand jobs in their particular communities. In each region, the RSA works with employers to identify their workforce needs. The RSA then connects the employer with job training organizations who prepare job-seekers with the specific job skills employers are seeking. RSAs fill employers' needs by providing an appropriately trained workforce for in-demand industries and fills citizens' needs by training workers for jobs that are likely to be open and available. With the addition of the new MiRSAs, employers and workers in all counties should have access to at least one alliance. The new RSAs are located in Marquette (2), Detroit (2), Escanaba, Pontiac, Traverse City and National City and represent a diversity of industries, including health care, manufacturing, construction, forestry, hospitality and information security. Start-up funding for the new RSAs is provided under the Workforce Investment Act through the U.S. Department of Labor and is administered by the Department of Labor & Economic Growth. "MiRSAs are a way for us to ensure that Michigan has a qualified workforce for Michigan employers and good jobs for Michigan workers," said David C. Hollister, director of the Department of Labor & Economic Growth. For more information, visit <http://www.michigan.gov/rsa>.



Public Comment Sought on the Michigan Career & Technical Institute: The Michigan Career and Technical Institute (MCTI), operated by DLEG, is a postsecondary school accredited by the North Central Association Commission on Accreditation and School Improvement (NCA CASI). NCA CASI is proposing some changes to the current standard and criteria that apply to postsecondary schools. NCA CASI requests your review and comments on these proposed changes. You can review these proposed changes and comment on them by visiting the NCA CASI website at <http://www.ncacasi.org/postsecondary/resource/index>. Comments will be accepted through

January 31, 2006. MCTI, located on Pine Lake in southwestern Barry County, offers 13 career training programs, including culinary arts, electronics and cabinetmaking, for adults with disabilities. Tuition and room and board in the dormitory are free for students referred by Michigan Rehabilitation Services or the Michigan Commission for the Blind.

State Training Funds to Secure Jobs of 6,425 Employees at 96 Companies: Governor Granholm announced on October 19 that nine grants totaling \$2,057,965 in Economic Development Job Training funds provided by the MEDC will be used to upgrade the skills of 6,066 current workers and 359 new hires at 96 companies around the state. That brings to \$4,851,791 the amount of job training funds announced by the Governor during October to enhance the skills of 13,181 employees of 186 companies around the state. The grants were provided as part of the Manufacturing Competitiveness Program (MCP), designed to enhance the skills of the state's manufacturing workforce and encourage collaboration between regional employers. Information on the training providers and the companies benefiting from the EJDT grants is available on the MEDC Web site at <http://www.michigan.org>.

MEDC Job Training Grant to Boost Worker Skills at Case Systems in Midland: An \$18,000 Economic Development Job Training grant will be used to upgrade the skills of 36 workers at Case Systems in Midland. The funding, provided by the Michigan Economic Development Corporation, will equip workers with specialized manufacturing and equipment skills. Under the terms of the award, Delta College will be the grant administrator with the company providing a minimum 30 percent funding match. Case Systems manufactures plastic laminate case goods and ergonomically designed steel furniture for schools, universities, libraries, hospitals, laboratories and other commercial and institutional uses. In 2004, Case acquired Massachusetts-based workstation manufacturer BOSTONtec Inc. The company will use the job training grant to help successfully combine the new operation with its manufacturing facility in Midland. Case employs approximately 170 workers.

Register Now for DLEG's 2006 Michigan Conference on Career Education, February 5-7: Register now for the 2006 Michigan Conference on Career Education, which will be held February 5-7 at the DeVos Place Convention Center adjacent to the Amway Grand Plaza Hotel in Grand Rapids. The theme of this year's conference is All Education is Career Education: Bringing Academics and CTE Together. This annual event, sponsored by the Office of Career & Technical Preparation in the Bureau of Career Education Programs, is Michigan's largest career education conference. All who are involved in career education, including educators, counselors, curriculum specialists, administrators and business partners, gather to share ideas and best practices aimed at preparing Michigan's future workforce through career education. The keynote speaker will be Winston E. Scott, executive director of the Florida Space Authority, former NASA astronaut and author of *Reflections from Earth Orbit*. The conference will offer more than 80 breakout sessions focusing on academic integration in career programs, high school redesign strategies, business and education partnerships, apprenticeships and much more. Exhibitors will display new materials and programs. For more information or to register online, go to <http://www.mccte.msu.edu>.



Deb LaPine, director of DLEG's Bureau of Career Education, provided welcoming remarks at the 9th Annual Joint Fellows Conference.

DLEG's King-Chavez-Parks Initiative Co-Sponsors 9th Annual Joint Fellows Conference: The King-Chavez-Parks Initiative (KCP) Future Faculty Fellowship Program co-sponsored the 9th Annual Joint Fellows Conference along with the Diversifying Higher Education Faculty in Illinois Program. Wayne State University hosted the event, which was held at the Detroit Marriott Renaissance Center. *Empowering Each Other: Transforming the Academy in the 21st Century* was the theme. More than 300 master's and doctoral degree Fellows, alumni, and representatives from 21 institutions of higher education in Michigan and Illinois attended the conference, which offered professional development and networking opportunities. The event featured two distinguished speakers: Dr. Caroline Sotello Viernes Turner of Arizona State University, who spoke on Faculty Diversity: Contributions to Campus Intellectual Life; and Dr. Harold Neighbors of the University of Michigan, who addressed Life in the Academy: Why Me? Why Not You? Deb LaPine, director of DLEG's Bureau of Career Education, provided welcoming remarks. Other conference highlights included Fellows' research presentations, plenary sessions on such topics as thesis and dissertation processes, faculty hiring practices, and effective classroom teaching. A job fair gave Fellows an opportunity to meet with representatives from institutions of higher education to learn of current job vacancies

and to submit their resumes. The Future Faculty Fellowship Program, a key component of the KCP Initiative, seeks to increase the number of minority candidates pursuing faculty teaching and executive-level administrative positions in higher education in Michigan and elsewhere. Since 1986, the KCP Initiative has effectively addressed the educational needs of underrepresented, minority and low-income families in Michigan.

Detroit Workforce Development Department, a Michigan Works! Agency, Funds Goodwill Industries' Employment Pilot: The Detroit Workforce Development Department, a Michigan Works! agency, is contributing \$493,870 towards a pilot project with Goodwill Industries of Greater Detroit that aims to assist unemployed Detroit residents into the workforce. The funds consist of a \$233,870 grant from the Michigan Department of Human Services to the Detroit Workforce Development Department and \$260,000 in Temporary Assistance for Needy Families funding that is part of the Detroit Workforce Development Department's FY 2006 budget. The pilot project with Goodwill, called Moving Men and Women to Economic Independence in Michigan, is a Work First initiative that will provide chronically unemployed residents in the City of Detroit with the training and employability skills they need to successfully secure and retain employment, helping to move them from public assistance to self-sufficiency. The goal of the Work First Program is to help Michigan's low-income citizens obtain employment or higher paying employment, thereby reducing or eliminating the need for public assistance. Funding for Work First is provided by the State of Michigan and the U.S. Department of Health and Human Services and is administered by the DLEG's Bureau of Workforce Programs.

Fostering Vibrant Michigan Cities and Urban Centers

Brownfield Credits Advance Redevelopment of Vacant Building in Grand Rapids: Governor Granholm on October 18 announced the former Junior Achievement building on the corner of Fulton and Division avenues in downtown Grand Rapids will be transformed into a mixed-use residential and commercial development, creating over 200 new jobs. The project involves more than \$4.5 million in private investment sparked by state and local brownfield tax incentives approved by the MEDC. The developer, 2 East Fulton LLC, will use state and local tax capture valued at more than \$155,000 to renovate the historic building into a six-story development that will provide approximately 28,000 square feet of office, retail and residential space. Renovations will include mechanical, electrical, and plumbing improvements, as well as new roofing, windows, doors, walls and floors.

Governor Announces State Support for Berrien County Riverfront Redevelopment: State and local brownfield tax incentives approved by the MEDC will make possible a major redevelopment project along the Paw Paw River in Berrien County, Governor announced on October 18. It is estimated that the completed project will involve an estimated \$140 million in private investment. The Berrien County Brownfield Redevelopment Authority, along with Harbor Shores Community Redevelopment Inc., will use tax capture valued at more than \$12.4 million to prepare several sites located east of Upton Drive, south of the CSX railroad and west of the Paw Paw River. The sites are being targeted for mixed-use developments that could include 300 mid-rise residential units, parking structures and approximately 60,000 square feet of commercial and retail space. The St. Joseph and Paw Paw rivers will also be dredged to accommodate larger boats and new marinas. Last December, Granholm announced state and local brownfield tax capture valued at \$1.8 million to Benton Harbor to increase the height of the Benton Harbor Bridge, allowing access to the property. The project is the result of collaborative strategies developed by Whirlpool Corporation, Berrien County, Benton Harbor, St. Joseph, Benton Township, Alliance for World-Class Communities and the local economic development agency, Cornerstone Alliance, to attract new investment, boost tourism and create jobs.

Governor Announces Assistance to Alleviate Blight, Create Housing in Detroit: Gov. Granholm announced that two blighted areas in Detroit will be transformed into new residential developments in the city. The projects, slated for the west side and a neighborhood near Indian Village, are expected to attract more than \$6.2 million in private investment with the help of state brownfield Single Business Tax credits approved by the Michigan Economic Development Corporation. "Creating affordable housing in Michigan's cities is essential to revitalizing our urban areas," Granholm said. "These two developments will bring residents back into Detroit and spur additional commerce and job creation." The projects are:

- **English Village Lofts LLC** will invest more than \$4 million to redevelop the now- vacant St. Charles School into a 21-unit condominium complex. The developer will use a tax credit valued at \$200,000 to reconfigure the interior of the building and build an additional story. The city will assist the project through a Neighborhood Enterprise Zone designation which offers significant local tax savings to the developer.
- **West Town Homes I LLC**, a partnership between the Community Planning Association and the Urban Entity Group LLC, will use a tax credit valued at \$326,600 to revitalize blighted clusters of properties in a neighborhood located near Greenfield Road and Tireman Street. The developer plans to invest more than \$3.2 million to build 23 single-family homes. The city has designated the area a Neighborhood Enterprise Zone and offered a \$1.4 million grant.

Mexicantown, Downtown Projects to Transform Vacant Detroit Buildings: Vacant buildings in Detroit will be transformed into new residential, retail and commercial centers, Governor Granholm announced. The projects, slated for the city's downtown and Mexicantown area, will involve more than \$6.9 million in private investment sparked by state brownfield Single Business Tax credits approved by the Michigan Economic Development Corporation. The projects:

- **Lithuanian Hall LLC** will use a tax credit valued at \$190,500 to revitalize the 12,500-square-foot Lithuanian Hall located on Vernor Highway in Mexicantown, a 2004 Cool Cities Neighborhood designee. The completed project will contain a mix of commercial, residential and office space and house two nonprofit organizations, Casa de Unidad and Southwest Nonprofit Housing Corporation. Building improvements will include electrical, heating and plumbing upgrades, as well as an energy-efficient roof and air conditioning system. The developer will invest \$1.9 million in the project, which will create eight new jobs. The city is expected to support the project with an Obsolete Property Rehabilitation certificate.
- **Vinton Building LLC** will invest \$5 million to redevelop the historic Vinton Building located on Woodward Avenue (two blocks north of Jefferson Ave.) into ground-level retail space and owner-occupied condominiums. The developer will use a tax credit valued at \$500,000 to remodel the interior to accommodate the condos and restore the façade to meet U.S. Department of Interior standards for historical buildings. The city will assist the project through a Neighborhood Enterprise Zone and Obsolete Property designation. The project is expected to create up to 15 new jobs.

Brownfield Incentives to Turn Vacant Rogers City Property into Housing: Vacant industrial property in downtown Rogers City will be redeveloped for residential housing with the assistance of a brownfield Single Business Tax credit from the Michigan Economic Development Corporation. The project, announced by Governor Granholm, is expected to include more than \$3 million in private investment. The developer, Federated Properties LLC, will use a \$300,000 brownfield credit to develop the six-acre former industrial site at the north end of downtown Rogers City into 26 two-bedroom residential units. The Rogers City Downtown Development Authority has invested more than \$400,000 to prepare the property for development. The site of the project is also located within one of Michigan's tax-free Renaissance Zones.

Promoting Michigan's Manufacturing Industry

Granholm, Delegation Work to Deliver Federal Support for Manufacturing: Gov. Granholm met with Michigan's Congressional delegation on Nov. 16th in Washington, D.C. to develop a consensus federal policy agenda that will positively impact the nation's manufacturing sector and the working families that depend on it. Granholm said she will take the consensus agenda to other governors around the country and encourage them to push their state delegations as well for action on these issues. "We are on the edge of an economic storm," Granholm said. "Not only will we weather it, but we'll be able to help the manufacturing community grow more competitive for the decades ahead. If there are going to be American-made products in the global marketplace tomorrow, we have to support our American manufacturing community today." The delegation agreed they will work together on three critical issues: ensuring there is fair trade for American manufacturers; developing legislation to reduce health care costs for employers; and ensuring any new pension legislation does no harm to the state's major employers. Granholm laid out a similar agenda in a letter to President Bush last month. The delegation expressed interest in advancing legislation to better enforce our trade laws, force other countries to end currency manipulation, and enforce and strengthen intellectual property protection. The delegation will draft a letter to the Bush Administration indicating that it will not support any weakening of U.S.-Thailand pickup truck tariff agreements, and urging more aggressive use of tools to end other nations' non-tariff barriers. The delegation also agreed to lead the nation in developing legislation for catastrophic health care pooling and to push for greater federal investment and incentives in health care information technology. Governor Granholm was among the first governors in the nation to recognize the unique needs and challenges facing the manufacturing sector. She sounded the clarion call that manufacturing matters, noting that no other sector has as deep an impact on Michigan's economy. Manufacturing jobs pay more and have a greater multiplier effect than those in agriculture, tourism, or services. In 2003, the Governor underscored manufacturing's importance to the state and national economy and held a first-of-its-kind manufacturing summit with 40 key business and labor leaders. In 2004, the Governor followed her manufacturing action plan with an automotive strategy that builds on Michigan's strength as the epicenter of the U.S. automotive industry. Earlier this year, Granholm outlined a bold five-point economic plan – including an initiative that would cut taxes on manufacturers and help secure a fund that would spur investment and job creation. "Employees and companies are making tough choices, and at the state level, we are also making critical changes to support the manufacturing sector," Granholm added. "It is time for the federal government to stand up for an industry that has helped America become the economic power it is today."

MEDC Job Training Grant Secures U.S. Steel Manufacturing Jobs: Governor Granholm announced on Nov. 8 a \$160,000 Economic Development Job Training grant to upgrade the skills of 800 current employees at the United States Steel Corporation Great Lakes Works plants in Ecorse and River Rouge. The funding, provided by the Michigan Economic Development Corporation, will equip workers with state-of-the-art training in various manufacturing processes including maintenance and trades skills. Under the terms of the award, Henry Ford Community College will be the grant administrator and U. S. Steel will provide a minimum 30 percent funding match. U. S. Steel manufactures a wide variety of steel sheet, tubular and tin products, coke, and taconite pellets, and has a worldwide annual raw steel capability of 26.8 million net tons. Headquartered in Pittsburgh, U. S. Steel has domestic facilities in Alabama, Illinois, Indiana, Minnesota, Ohio, Pennsylvania and international operations in the Slovak Republic and Serbia. Great Lakes Works employs approximately 2,350.

Encouraging Entrepreneurship

"Michigan Celebrates Small Business" Seeking Nominations for 2006 Awards: The second annual "Michigan Celebrates Small Business" awards competition for entrepreneurs and supporters of small business is seeking nominations in the entrepreneurial, advocate, innovation, best small business and government contract categories. Nominations must be submitted in the form of a letter by November 15. Nominations for the "50 Companies to Watch in Michigan" list must be submitted by letter no later than December 15. The awards ceremony will be held on April 19 at the Kellogg Hotel & Conference Center in East Lansing. The competition is a cooperative effort of the U.S. Small Business Administration/Michigan (USSBA-M), the Small Business Association of Michigan (SBAM), Michigan Small Business & Technology Development Center (MSBTDC), the Edward Lowe Foundation and the MEDC. For details, go to <http://www.michigancel-brates.biz/nomination.htm>.

December Job Show Focuses on Career Opportunities In Residential Building: The field of residential building can offer career and entrepreneurial opportunities for job seekers attracted to construction and housing development. The December edition of The Job Show, the cable TV show produced by the Michigan Department of Labor & Economic Growth (DLEG), will feature state licensing information and industry tips for getting a successful start in helping to build Michigan. The 30-minute program, hosted by DLEG's Nirva Civilus, features Andy Metcalf, director of DLEG's Bureau of Commercial Services; Gloria Keene and Linda Clewley, Licensing Division; and Barrington Carr, Enforcement Division. Each guest discusses the importance of securing a license, entrepreneurial opportunities, and tips for remaining productive in this growing field. The Job Show will air throughout the month of December on 78 cable-TV systems statewide. To learn when the program will air on your local cable channel, visit The Job Show website at <http://www.dleg.state.mi.us/jobshow>.



December's Job Show focuses on career and entrepreneurial opportunities in construction and housing development.

Making Michigan a Leader in Technology

Governor's Rural Broadband Initiative Launched; Broadband Service Providers Urged to Submit Proposals: In response to Governor Jennifer M. Granholm's charge to expand affordable broadband access throughout the state by 2007, the Michigan Broadband Development Authority (MBDA) announced they are seeking financing applications to expand such services into the state's most rural and underserved regions. In eligible regions, qualifying broadband providers may receive 4 percent loans with interest-only draw periods of up to 24 months. Providers will work with local government and economic development organizations to qualify their proposals. "Making affordable broadband access available to residents, public entities, and businesses across the state will make Michigan more competitive in today's 21st century economy," Granholm said. "This targeted effort will help us to accomplish our goal of expanding these services to the entire state by 2007." The State is encouraging regional leaders to creatively utilize this solicitation to attract more broadband investment into their regions. Schools, government offices and other large users of high-speed Internet services in underserved regions are being encouraged to leverage community-wide access by serving as anchor tenants for providers willing to expand services through out their area. It is hoped these entities will partner with providers to lower the cost of such infrastructure, by providing access to towers and other structures to support community-wide deployment. "There is no one technology or broadband investment strategy that can be applied to each region of the state," said Teri Takai, director of the Department of Information Technology. "We expect strategies to differ widely based on geography and location, but the key will be innovative partnerships. This program is intended to support and encourage such innovation." "We have created what we consider to be a tremendous incentive package for service providers," said James W. Butler, III, executive vice president of the MBDA. "By lowering our interest rate to 4 percent and concentrating our efforts on the parts of the state that do not currently have widely available access, we are in a strong position to move the state toward its universal coverage goal by the end of 2007." DLEG Director David C. Hollister said, "While much broadband investment has taken place in Michigan's more populated regions and the MBDA has helped impact service and affordability in more than 300 cities, this focused effort makes rural and underserved regions the priority of the Authority. This is a positive new step to build upon the successes of the MBDA." To download the RFP visit: <http://www.broadbandauthority.org>.

U-M Gets \$2.5 Million to Use Nanotechnology to Fight Cancer: The University of Michigan has received a \$2.5 million grant over five years to develop a system using particles one-billionth of a meter in size for use in cancer treatment. The award establishes U-M as one of 12 Cancer Nanotechnology Platform Partnerships. The National Cancer Institute, part of the National Institutes of Health, announced the grant on October 19 as part of its five-year initiative for nanotechnology in cancer research. The efforts at U-M represent a collaboration across the university, including the Comprehensive Cancer Center, the Medical School, the College of Engineering and the College of Literature, Science and the Arts.

Two Michigan Counties among Nation's Top 20 in 'Tech Savvy': USA Today released the results of a new study ranking the "tech-savviness" of every county in the nation. It measures the willingness of residents to be "early adopters" of 20 forms of advanced technology like Wi-Fi and Internet phone service. Washtenaw County was ranked No. 15 in the survey with 48 percent, and Oakland County was No. 20 at 47.7 percent. Other Michigan counties in the top 100 were Macomb at 43.7 percent, Kent at 42.7 percent and Ingham at 41.6 percent. Ranked No. 1, with 56.9 percent of the population as early adopters, was Broomfield County, Colorado. The national average of early adopters was 27 percent.

Promoting Michigan's Tourism Industry

Fall Travel Queries Driving Up Travel Michigan Web Traffic: The MEDC's Travel Michigan reports that interest in fall travel has resulted in a nearly 60 percent increase in Web traffic over 2004. Records indicate that there were more than 854,000 visits to the travel section of michigan.org during October 2005, an average of 28,478 visitor sessions per day and up from 498,189 visits in October 2004. Independent research shows that 65 percent of consumers who use michigan.org for tourism information will then travel to and within Michigan. Visitors spend \$17.5 billion annually traveling in Michigan, generating \$971 million in state tax revenue, and supporting 193,000 jobs. As one of Michigan's largest industries, tourism is vital to the state's economy, particularly in light of the many challenges currently facing the manufacturing sector.

Protecting Consumers

MPSC Chairman Hails New Michigan Telecommunications Act That Protects Customers: Gov. Granholm signed on Nov. 22nd a new Telecommunications Act that protects Michigan customers. "Michigan is among the states with the most competitive telecommunications market," said MPSC Chairman J. Peter Lark. "Customers will benefit even more with the new Michigan Telecommunications Act that maintains consumer protections while deregulating many rates." Lark noted that the new telecommunications legislation: Gives the MPSC the authority to promulgate service quality rules to protect both the retail customer as well as incumbent and competitive service providers; Requires telecommunications service providers that use a new or emerging technology to register with the MPSC to protect customers; Ensures that customers have access to enhanced 9-1-1 services or emergency response services; and Gives the MPSC the authority to review the intrastate end user common line charge (EUCL) before it is included in customer bills.

Protecting Worker Safety

Diversified Machine's Detroit Facility Receives State Award for Outstanding Safety and Health Record: The Diversified Machine, Inc. - Detroit facility received the Bronze Award on Dec. 2nd from the Michigan Occupational Safety and Health Administration (MIOSHA) for an outstanding safety and health record.

MIOSHA Deputy Director Martha Yoder presented the award to Plant Manager Frank Colarossi, who accepted on behalf of all employees. New ownership officials and corporate management representatives attended the award presentation. "This award is a testament to the diligent efforts of Diversified Machine's Detroit team. It is a privilege to receive this award on behalf of all employees," said Colarossi. "Our company's core safety commitment is, 'We want employees to return home safely in the same manner and condition as they arrived for work.' This statement drives all employees to ensure that every work-day is accident free." The MIOSHA Consultation Education and Training (CET) Division recognizes the safety and health achievements of Michigan employers and employees through CET Awards, which are based on excellent safety and health performance. The CET Bronze Award recognizes leadership and commitment to workplace safety and health resulting in significant improvement of a company's MIOSHA record. "We applaud Diversified Machine's outstanding efforts to create an environment where workplace safety and health is a top priority," said Yoder. "Reducing your injury and illness rates not only protects your employees, it has a healthy impact on your bottom line."

The entire Detroit Plant Management Team was recognized for addressing safety related issues promptly, whenever they were identified. The steady decline in both near misses and injuries at the facility has been the result of hard work and cooperation from employees, bay leaders and supervisors, working interdependently with the Safety Committee. Special thanks went to Shift Supervisors Roberto Verduzco and Lawrence Osley; Maintenance Site Manager Gerald Guerrero; and all other plant floor supervisors and production bay leaders. Colarossi noted that special thanks should also go to Corporate Safety & Environmental Manager Dan Waligora, and Human Resource Specialist Karina Gutierrez, who both help administer the safety program. Diversified Machine, Inc. (formerly known as Uni Boring Company) was founded in 1978 and was owned and operated by Facundo Bravo until November 18, 2005. An investment group led by two private-equity funds and a former Ford Motor Co. and Covisint, Inc. executive purchased the auto supplier out of bankruptcy. Diversified Machine, Inc., is under the leadership of Bruce R. Swift, Chairman and Chief Executive Officer. The Detroit facility is one of three locations in Southeastern Michigan; the other facilities are located in Howell and Canton. The Detroit facility employs approximately 100 workers and conducts precision machining on a variety of automotive parts and power train components. Diversified Machine will continue as a recognized minority supplier to the automotive industry, with over 500 team members. The new ownership is confident that the combination of their excellent management team, global experience, strong financial structure, and their commitment to superior service will provide exceptional value to their customers.



The Diversified Machine, Inc. - Detroit facility received the Bronze Award on Dec. 2nd.

Promoting Energy Efficiency

Energy Office Awards Total of \$80,000 in Idle Reduction Technologies Grants to Detroit Area and Greater Lansing Area

Clean Cities Coalitions: Michigan Department of Labor & Economic Growth (DLEG) Director David C. Hollister announced that Detroit Area Clean Cities and Greater Lansing Area Clean Cities (GLACC) have received Idle Reduction Technologies Demonstration grants totaling \$80,000 from the Michigan Energy Office. The Idle Reduction grants will be used to demonstrate the use and benefits of on-board idle reduction technologies in heavy-duty diesel-powered vehicles in southeast Michigan and the Lansing tri-county area. "These grants will help Michigan heavy-duty fleets reduce idle time and save fuel, engine wear and money while reducing harmful tailpipe emissions," Hollister said. "Truck idling consumes more than 800 million gallons of diesel fuel each year. Michigan's economy and air quality will benefit from the increasing use of idle reduction equipment in our diesel fleets." Detroit Area Clean Cities is receiving \$45,000 and GLACC is receiving \$35,000. Detroit Area Clean Cities and GLACC are the organizations that administer two of Michigan's designated Clean Cities regions. NextEnergy Center administers Detroit Area Clean Cities (Livingston, Macomb, Monroe, Oakland, St. Clair and Wayne counties) and GLACC includes Clinton, Eaton and Ingham counties. Clean Cities is a U.S. Department of Energy Program that promotes voluntary alternative fuel vehicle use, clean fuel technologies and infrastructure development to help the U.S. achieve energy security and improved air quality with clean burning, domestically produced alternative fuels. Incentives are now available to fund half the cost of on-board idle reduction equipment in diesel trucks and buses in the Detroit and Greater Lansing Area Clean Cities regions. Funding for the grant was made available by the U.S. Department of Energy and is administered by the Michigan Department of Labor & Economic Growth (DLEG) Energy Office <http://www.michigan.gov/energyoffice>. For additional information, please contact James Croce, NextEnergy Center at (313) 833-0100, James Pitts, GLACC at (517) 749-6141 or Tim Shireman, Michigan Energy Office at (517) 241-6281 or tashire@michigan.gov.

Energy Office Assists with Super Saturday Energy Day at Lansing's

Impression Five Science Center: The Energy Office awarded a grant to Impression Five to hold the event, and an additional grant award went to the WARM Training Center to partner with the Sustainable Futures Group to conduct a hands-on science/energy activity at the Super Saturday Energy Day at Lansing's Impression Five Science Center on Nov. 5th. More than 600 children from across the State engaged in fun energy-related activities and learned about hybrid vehicles and renewable energy solutions throughout the day. Pictured are Jacob Coridae from the WARM Training Center in Detroit, and D Jones from the Sustainable Futures Group in Kalamazoo discussing the advantages of using a special camera that takes "thermogram" pictures that show how objects lose heat. The Impression Five Science Center is located at 200 Museum Drive in Lansing, and can be found on the web at <http://www.impression5.org/>.



Jacob Coridae from the WARM Training Center in Detroit, and D Jones from the Sustainable Futures Group in Kalamazoo discussing the advantages of using a special camera that takes "thermogram" pictures to show how objects lose heat.

Michigan Energy Office Awards Energy Education Grants to Five

School Districts: Five school districts have received Energy Smart Schools Energy Education grants totaling \$28,430 from the Michigan Energy Office.

The grant recipients are:

- **Fraser Public Schools (Grant Amount: \$3,031, City: Fraser)**
- **Huron Intermediate School District (Grant Amount: \$6,500, City: Bad Axe)**
- **Laker School District (Grant Amount: \$6,500, City: Pigeon)**
- **Marion Public Schools (Grant Amount: \$5,971, City: Marion)**
- **Riverview Community School District (Grant Amount: \$6,428, City: Riverview)**

The energy education grants will be used to introduce energy efficiency and renewable energy curriculum into the classroom. Curriculum materials were provided by the National Energy Education Development Association (NEED), a Rebuild America strategic partner. "These school districts are taking an important step to teach the next generation to use energy more wisely," Hollister said. "Rising energy costs and diminishing energy supplies make it critical that Michigan citizens of all ages be responsible about making energy choices." All five districts have begun incorporating energy education into their curriculum and are supplementing classroom lessons with extra-curricular energy activities such as a solar powered car competition, an energy club and an energy fair that will encourage others in the districts to participate. All the grants are active until the end of this school year. Funding for the grant was made available through the U.S. Department of Energy. The grant is administered by the DLEG's Energy Office through the Rebuild Michigan Program (RM) (<http://www.michigan.gov/eorebuild>).

Providing Affordable Housing



Governor Proclaims Nov. 13-19 as Homeless Awareness Week: Gov. Granholm proclaimed November 13-19, 2005 as Homeless Awareness Week for the state of Michigan. This year's theme, "We End it Here. We End it Now." sent a strong call to action to all Michigan residents. Homeless Awareness Week is a statewide campaign to educate the public about the many reasons people are homeless, the shortage of affordable housing for low income people, and the diligent work that homeless assistance providers are doing to bring relief to those most in need. The Michigan State Housing Development Authority (MSHDA), in association with the Michigan Coalition Against Homelessness, is spearheading the drive. On a year-round basis, MSHDA administers federal money as well as its own funds to finance a variety of programs designed to expand the supply of housing services for the homeless. Homelessness affects every community in Michigan - all age groups, all racial and ethnic groups, and families with children as well as individuals. The truth about homelessness contradicts the stereotypical chronic alcoholic and street person suffering from mental illness. Studies show that between 35-40 percent of people experiencing homelessness are families and children. Children are the fastest growing group of people experiencing homelessness. Today, the average age of a homeless person in this country is nine years old. Statewide, more than 750 providers of shelter and services bring help to homeless families and individuals. Tens of thousands of people sleep in

emergency shelters in Michigan each night, and many others take refuge in cars, campsites, abandoned buildings, and other places unsuitable for humans to reside. As a result, an accurate number of homeless people in Michigan is hard to obtain. For more information visit <http://www.mihomeless.org>.

MSHDA Receives High Credit Rating: Standard and Poor's Rating Services recently raised its issuer credit rating (ICR) for MSHDA from a 'AA-' to a 'AA' rating. The increased credit rating is an honor to the Authority and its employees according to Executive Director Michael DeVos. "This is very significant for us as an agency and for the people we serve," said DeVos. "This upgrade is a tribute to all staff here at MSHDA." MSHDA sells bonds to private investors to finance its multifamily and single-family programs. A higher credit rating qualifies the Authority for better interest rates to sell bonds at lower yields, thereby lowering the interest rate on the loans offered and in turn making the housing it finances more affordable. According to Standard and Poor's, the credit rating reflects the Authority's consistently strong financial performance, healthy loan loss reserve position and very strong portfolio management. "As one of the first few state housing agencies to receive Standard and Poor's top-tier status in 1986, MSHDA has consistently demonstrated strong performance in all areas considered for this designation," a Standard and Poor's official said. MSHDA has had a successful track record of providing affordable housing throughout the state. MSHDA's financial performance has been progressively improving over the last seven years, according to DeVos.

MSHDA Assists in Hurricane Katrina Aftermath: After the devastation of Hurricane Katrina, states all over the nation stepped up to the plate to take action and assist as many victims as possible. The City of Detroit was one of the areas where evacuees were taken, by bus, from New Orleans. The Detroit City Airport became a one-stop place for evacuees to take care of the business necessities that they would have otherwise had to figure out for themselves. Organizations such as Michigan Works, the U.S. Postal Service, Detroit Public Schools, and many others had booths set up to help evacuees become familiarized with their new environments. Medical facilities were set up for anyone who needed medical attention, shots, or even routine physical exams. MSHDA was one of the many organizations represented at the Detroit City Airport after the devastation of Hurricane Katrina. Evacuees did not have to scramble all over town to take care of business, making it convenient and less of a hassle for those who had already been through so much. MSHDA's role was to work face-to-face with the evacuees, guiding them into local temporary and permanent housing. MSHDA employees worked diligently in conjunction with the Michigan Housing Council and HUD to locate available subsidized housing for the evacuees. MSHDA employees contacted local homeowners requesting that they house people and letting them know the importance of shelter in the aftermath of the hurricane.



(far right) MSHDA staffers Michele Whitmore and Willa Ray assist a Katrina evacuee.

During the four weeks that MSHDA was there, they serviced over 190 evacuees. MSHDA was extremely pleased with the responses they received from the agents. Their actions were immediate and their concerns showed that they were willing to help. The agents did all that they could by providing discounts and reduced security deposits. Some even offered 1-2 months free rent for the evacuees.



Sandy Pearson, coordinator for the Key to Own program, holds the Award for Program Excellence. Also pictured is Richard H. Godfrey, president and executive director of NCSHA and MSHDA executive director Michael DeVos.

MSHDA Wins National Award for Homeownership Program: MSHDA has been named the outstanding state housing finance agency in the country for one of its homeownership programs. The award winning program is MSHDA's The "Key to Own" Homeownership Program, which offers a homeownership option for certain qualified families that hold a MSHDA Housing Choice Voucher (HCV). Tenants who meet program requirements are able to use their voucher subsidy toward a mortgage on a home rather than toward their rent. The award was presented to MSHDA executive director Michael DeVos on September 26 at the 35th annual conference of the National Council of State Housing Agencies (NCSHA) in Boston. "At MSHDA, we strongly believe that everyone has a right to achieve the American Dream," DeVos said. "We are pleased to accept this award, because it reaffirms our efforts to improve the lives of those Michigan families who have the fewest housing options."

In the Key to Own Program, families typically are earning at least 40 percent of area median income and paying 30 percent of their monthly gross income toward homeownership expenses. MSHDA pays the difference between the family's total tenant payment and the actual monthly mortgage payment.

In order to qualify for the program, families must have certain criteria such as full-time employment for more than one year (unless elderly or disabled) and must

complete Financial/Economic Literacy counseling and Homebuyer Education counseling. For more information on the Key to Own Program, contact MSHDA's Office of Existing Housing at (517) 241-4474 or (517) 335-7291.

Promoting Quality Health Care

Blue Ribbon Physician Workforce Committee Launches

Campaign: The Blue Ribbon Physician Workforce Committee, which includes DLEG, launched its campaign on Nov. 7th to educate state and federal policymakers on the projected physician shortage with an advanced briefing for Michigan's Congressional delegation. Since previously reported estimates of the shortage examined national supply, the Committee saw value in obtaining Michigan specific information and commissioned the New York State University's Albany Center for Health Workforce Studies to do a state-specific study of physician supply and demand. Denise Holmes, Assistant Dean for Government Relations, Michigan State University College of Human Medicine, presented preliminary results of Michigan's study at the November 7th event. Preliminary Results of the Michigan Physician Workforce Analysis

- Michigan currently has 30,000 "active" patient care physicians - i.e. delivering patient care and will need 38,000 physicians by 2020.
- Michigan will be 900 physicians short by 2010; 2,400 short by 2015; and 4,500 doctors short by 2020.
- Michigan is going to experience a more severe shortage of doctors than is the nation as a whole. The U.S. is going to be 7.9% short, and Michigan is going to be 11.9% short. (Formula: divide the number of doctors the state (or the nation) is projected to have by 2020 by the number of doctors needed in the state (or the nation) = percentage short)
- On the basis of population alone, Michigan should only experience a shortfall of 2814 physicians by 2020; this study projects Michigan shortfall at 4,500 physicians by 2020.
- Michigan is losing physicians after graduation at much the same rate as are many of the northern states. New York has a very similar problem, despite being the largest producer and trainer of physicians in the U.S.
- While Michigan's primary care physician projections indicate physician supply will be adequate for demand until 2018, the specialist projections indicate that we will see a shortage beginning in 2006.

According to Blue Ribbon Physician Workforce Committee members, the Nov. 7th advanced briefing is the first step in their combined efforts to prepare an appropriate healthcare workforce for Michigan. For more information or to participate in this effort, please contact Carol Parker Lee, MSU Institute for Health Care Studies, at (517) 432-8385.



Pictured from left to right: Dr. William Strampel, dean of the Michigan State University College of Osteopathic Medicine; Dr. Allen Lichter, dean of the University of Michigan Medical School; Dr. Robert Frank, Wayne State University School of Medicine; Dr. Marsha Rappley, Michigan State University College of Human Medicine; and Dr. Michael Sandler, Michigan State Medical Society (MSMS).

Assisting Employers & Jobless Workers

UIA Recoups More Than \$545,000 from employers for SUTA Dumping: The Unemployment Insurance Agency (UIA) has reached a settlement with two employers who agreed to reimburse the state for more than \$500,000 in unpaid unemployment taxes. The agency discovered that the employers had engaged in State Unemployment Tax Act (SUTA) Dumping, which enabled them to avoid paying some of their unemployment taxes. One of the employers had set up a "captive" leasing arrangement by forming its own employee-leasing companies from which it leased its employees. Avoiding unemployment taxes under such an arrangement is prohibited under Michigan law. UIA determined the employer had intentionally avoided its unemployment tax experience by shifting its employees to three leasing companies it owned and, as a result, underpaid its unemployment taxes by \$513,500. The company has paid the taxes plus interest. The second employer, a Madison Heights-based automotive and aerospace prototyping business, acting on the advice of retained professionals, purchased another company and structured the purchase to avoid assuming the company's higher unemployment tax rate and the resulting higher tax payments. The company has been very cooperative with UIA throughout the investigation and has agreed to pay in full approximately \$32,000 in unpaid taxes.

Continuing Education for Advocates: The Unemployment Insurance Agency has scheduled three continuing education seminars for advocates in its Advocacy Program. The first session was held in October in Grand Rapids and two are set for November in Detroit and Gaylord. Advocates offer information, consultation and representation services to those with unemployment insurance hearings before an administrative law judge or the MES Board of Review. The seminars cover a range of topics, including information about standards of conduct for advocates, how to present evidence at hearings, and changes to the contracts for advocates. In addition, the seminars give overviews of the MES Board of Review and the State Office of Administrative Hearings and Rules, which are presented by Steve Geskey, Board chair, and Mike Zimmer, SOAHR deputy director. Advocates are required to attend the five-hour seminar. The first session in Grand Rapids has already drawn good responses from those who attended.

Job Seeking Tips for the Unemployed: UIA in partnership with the Bureau of Workforce Programs is offering unemployed workers tips on finding their next jobs. In a weekly mailing, the agency sends a flyer to 10,000 newly unemployed workers who have recently applied for unemployment benefits and are not job attached. The flyer encourages readers to register for work with their local Michigan Works! Agency and to also take advantage of the services they offer to help job seekers. It advises workers to place their resumes on the Michigan Talent Bank and to search through the jobs listed in the Talent Bank. It also suggests they access the free services and resources available through the Michigan Career Portal (<http://www.michigan.gov/careers>). The mailings are being done under the Michigan Opportunity Partnership.

Cautiously Optimistic Outlook for UI Trust Fund: Michigan may just avoid the need for long-term loans and/or new employer taxes to prop up the unemployment insurance (UI) trust fund. UI taxes that employers pay go into the trust fund and are paid out as unemployment benefits to jobless workers who qualify for them. The latest UIA forecast shows the fund will have a \$380 million balance by the end of 2005, which will slip to \$274 million in 2006 and \$167 million in 2007. Some short-term loans may be needed from the federal government, but after 2007, tax collections should begin to outpace benefit payments, resulting in a growing fund balance. An intensified effort to detect employer and worker fraud, especially SUTA dumping, is a major reason for the encouraging outlook.

An Old Idea Helps to Settle Workers' Comp Cases: Sometimes the best idea is an old idea, and that is proving to be the case with some disputed workers' compensation cases. A number of years ago, prior to the last administration, several workers' compensation insurance carriers held "settlement days" in which they would invite injured workers with compensation claims, and their counsel, to meet with representatives of the insurance carrier or employer to try and resolve their differences and settle the claims. This spring, the Frankenmuth Insurance Company suggested that the idea be revived. The Board of Magistrates agreed to facilitate the meetings and arranged to host the first settlement day at their offices in Detroit's Cadillac Place. The first meeting was a success and as word went out about the settlement day process, other insurers and companies, such as the Accident Fund, General Motors, Delphi and the Michigan Municipal League, have held successful settlement meetings as well.

UIA Recognized for Its Efforts to Help in the Wake of Katrina: The Unemployment Insurance Agency was among several states honored by the U.S. Department of Labor for helping to process unemployment claims from workers left jobless by Hurricane Katrina. UIA staff answered nearly 28,300 phone calls and processed almost 8,200 unemployment claims. USDOL presented the award (shown at right) at the annual UI Director's National Meeting on October 25.

Governor Names Two to QAC: Governor Granholm has made two reappointments to the Qualifications Advisory Council (QAC).

- Phillip L. Gilliam, an attorney and director of the UAW Unemployment Clinic with the International Union, has been reappointed to represent employee interests on the QAC for a term expiring October 1, 2009.
- Jeffery V. Stuckey, an attorney and member of Dickenson Wright, PLLC, was reappointed to the QAC to represent employer interests for a term expiring October 1, 2009.

The QAC reviews and rates applicants interested in serving on the Workers' Compensation Board of Magistrates and Workers' Compensation Appellate Commission.



Rapid Response Section Assists Employers and Displaced Workers: The Workforce Transition Section (WTS) responded to 22 notices of planned plant closures or mass layoffs. Contact was made with employers and union representatives in response to receipt of a WARN notice, letter, phone call, newspaper article, or other means of notification. A brief overview of available dislocated worker services was given, and depending on the number of jobs impacted, a formal on-site Rapid Response meeting was scheduled or arrangements were made for the local Michigan Works! Agency to meet with the affected employees to provide information on available services.

- Conducted five Rapid Response meetings with employers (and union representatives, where employees were represented by a collective bargaining agreement).
- Responded to 63 phone calls and 25 e-mails from individuals, company/union representatives, and service providers who requested information or clarification of issues related to the WARN Act and dislocated worker services.
- Participated in one Joint Adjustment Committee (JAC) meeting which are labor/management committees established to provide a proactive, participatory response to large plant closings or mass layoffs.
- Participated in 13 Worker Orientation meetings for workers impacted by a facility closure or mass layoff. Worker orientation meetings provide a forum for impacted workers to receive information on unemployment insurance and dislocated worker services.

Protecting Minor Workers

Fast Food Restaurant Cited for Youth Employment Violation: The Wage & Hour Division issued a corrective action notice to a Novi fast food restaurant for violating the state's youth employment laws. A Subway restaurant was cited for leaving two minors to operate the store without adult supervision. The case came to the Division's attention when a complaint was filed with the Novi Police Department this summer by parents of one of the minors when they learned the teens were running the store alone. After visiting the store to verify the facts, a division investigator issued the corrective action letter, which advised the employer that the store was out of compliance with the state's Youth Employment Standards Act. A follow-up visit by the investigator found the shop is now in compliance with state law.

Assisting Michiganians with Disabilities

Blind and Visually Impaired Honorees to Receive Achievement Awards at December 12 Commission for the Blind Meeting in East Lansing: The Michigan Commission for the Blind (MCB) will hold its bimonthly meeting on Monday, December 12, from 9:30 a.m. to 3 p.m. at the Kellogg Center, Room 106, Michigan State University, 55 South Harrison Road, East Lansing. The meeting will include the presentation of the MCB Achievement Awards at approximately 11:30 a.m. These awards are presented annually to selected clients of MCB who have excelled in achieving their goals for employment and/or independent living, exemplary employers, and organizations that have worked in partnership with MCB. The meeting is open to the public and will be of interest to people who are blind or visually impaired, their families and friends, and anyone interested in the free training and services available from the Michigan Commission for the Blind. For those who cannot travel to the meeting, live audio of the meeting can be accessed free of charge via the Internet at the MCB website: <http://www.michigan.gov/mcb>. MCB provides opportunities for individuals who are blind to achieve independence and/or employment. The commission's five-member policy board, appointed by the governor, oversees programs throughout Michigan that annually serve an average of more than 4,500 state residents who are blind or visually impaired. For more information about the MCB, call 1-800-292-4200 (voice) or 1 888-864-1212 (TTY).